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Environment Department Settles Enforcement Action With Phelps Dodge Tyrone Mine; Approximately 2,300 Acres To Be Restored

(Santa Fe, NM) — The New Mexico Environment Department (NMED) has entered into a settlement agreement with Phelps Dodge Tyrone Inc. to resolve alleged groundwater discharge violations at the company's Tyrone mine. As a part of the settlement, the company has agreed to cease discharging to its tailing impoundments. The company has also agreed to regrade these impoundments, cover them with two feet of earth and establish vegetation on the cover. These impoundments cover approximately 2,300 acres in the Mangas Valley near Silver City in Grant County.

"This agreement will mean better protection for Grant County's water resources," said NMED Secretary Ron Curry. "By covering and restoring these approximately 304 million tons of tailing, we are addressing a source of groundwater pollution and choking it off before it does further harm. I appreciate Phelps Dodge quickly entering into negotiations to resolve these issues."

Under the terms of the agreement Phelps Dodge will close these impoundments over the next eight years. NMED enforced deadlines, including an initial work plan due in 90 days, will ensure the work is completed in a timely and satisfactory manner. Stipulated penalties of between \$500 and \$4,500 a day will be triggered if deadlines are missed.

This agreement settles several issues concerning Tyrone's closure permit issued in April, 2003, including an NMED issued Notice of Violation, an appeal filed by the Gila Resources Information Project (GRIP) and the denial of Phelps Dodge's application for a discharge permit renewal for these tailings impoundments.

Phelps Dodge has agreed to end all discharges to these impoundments. These include water from mine dewatering operations, sanitary effluent and sludge from Silver City's wastewater treatment plant. By ending these discharges and regarding the impoundments, acidic water will no longer pond on top of these impoundments killing birds and easily leaching to groundwater.

Groundwater in the vicinity of these impoundments is acidic and contaminated with sulfate, fluoride, aluminum and dissolved solids. By properly closing these areas, mine wastes will no longer have the potential to generate groundwater pollution.

For further information contact Jon Goldstein, Communications Director, NMED at (505) 827-0314.

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